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No. 1047

In the

Supreme Court of the United States

OCTOBER TERM, 1967

THE NATIONAL INSIDER, INC.,

Petitioner,

vs.

BEST MEDIUM PUBLISHING CO., INC.,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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To the Justices of the Supreme Court of the United States:

Petitioner, National Insider, Inc., respectfully prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Seventh Circuit affirming the decision of the United States District Court for the Northern District of Illinois, Eastern Division, finding the petitioner guilty of infringing copyrights held by respondent.

OPINIONS BELOW

The Court of Appeals unanimously affirmed the decision of the United States District Court for the Northern District of Illinois, Eastern Division. Its decision, not yet reported, is included herein as Appendix A.

The opinion of the District Court finding petitioner guilty of infringing respondent's copyrights is reported in 259 F.Supp. 433 and is included in the record.

JURISDICTION

The judgment of the United States Court of Appeals for the Seventh Circuit was entered on October 31, 1967. Petitioner's petition for rehearing was denied on November 29, 1967. The jurisdiction of this Court is invoked under 28 U.S.C. §1254(1).

QUESTIONS PRESENTED

1. Whether the constitutional provision with respect to the protection of authors requires that, in the absence of agreement otherwise, the author retains all rights in his work.

2. Whether there is a presumption of law that an author is divested of all copyright rights when he sells an article to a tabloid newspaper publisher who does not specify the particular rights which it has purchased and the author contends that he has sold only one-time publication rights.

3. Whether a proven custom and usage in the tabloid newspaper field, that when no specific rights are stated in the sale of a manuscript only one-time publication rights are conveyed, may be ignored or over-ridden when the court finds that there is silence on the rights sold.

4. Whether publisher's destruction of manuscripts containing statements of the rights sold or withheld in the manuscripts must be taken as disproving publisher's contention that it owned all rights, although it did not assert such contention when it acquired the manuscripts.

5. Whether articles composed entirely of material in the public domain (such as mere handouts by Hollywood publicity agents) are copyrightable, without any substantial originality of content or construction, and with merely trivial changes.

6. Whether defendant is the prevailing party and thus entitled to costs under 17 U.S.C. §116, as to those charges of the complaint dismissed at the time of trial, after defendant has gone to great trouble and expense to prepare its defense thereto.

7. Whether plaintiff may prevail when all evidence produced before the trial judge is in the form of depositions, offers of proof and exhibits and the trial judge finds that defendant's evidence has fully established its defense as to custom and usage.

CONSTITUTIONAL PROVISIONS AND STATUTES INVOLVED

This case arises under Article I, Section 8, clause 8 of the United States Constitution and Sections 3, 9, 10 and 116 of the Copyright Act, Title 17 U.S.C.

Article I, Section 8, Clause 8, United States Constitution:

> "The Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for Limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries:"

17 U.S.C. §3:

"The copyright provided by this title shall protect all the copyrightable component parts of the work copyrighted, and all matters therein in which copyright is already subsisting, but without extending the duration or scope of such copyright. The copyright upon composite works or periodicals shall give the proprietor thereof all the rights in respect thereto which he would have if each part were individually copyrighted under this title."

17 U.S.C. §9:

"The author or proprietor of any work made the subject of copyright by this title, or his executors, administrators, or assigns, shall have copyright for such work under the conditions and for the terms specified in this title: . . ."

17 U.S.C. §10:

"Any person entitled thereto by this title may secure copyright for his work by publication thereof with the notice of copyright required by this title; and such notice shall be affixed to each copy thereof published or offered for sale in the United States by authority of the copyright proprietor, except in the case of books seeking ad interim protection under section 22 of this title."

17 U.S.C. §116:

"In all actions, suits or proceedings under this title except when brought by or against the United States or any officer thereof, full costs shall be allowed, and the Court may award to the prevailing party a reasonable attorney's fee as part of the costs."

STATEMENT OF THE CASE

This case involves a charge of copyright infringement and unfair competition, brought pursuant to 28 U.S.C. §1338. Respondent herein, Best Medium Publishing Co., is the publisher of a weekly tabloid newspaper entitled "The National Enquirer". Petitioner herein, National Insider, Inc., publishes a weekly tabloid newspaper entitled "The National Insider". Both publications contain news and feature articles with a human interest and sensational approach. The articles appearing in these newspapers are designed for their immediate and transitory appeal and lose their value to the publisher, but not to the author, by the time the next issue appears on the newsstands.

The case was tried on depositions, offers of proof, exhibits and other pre-trial discovery. There was no adverse examination except in the case of depositions, and no witnesses testified before the trial judge.

The corresponding articles appearing in both publications, of which respondent complained, were written by the same authors. They appeared in petitioner's publication from two to five years after they had been published by respondent. Every one of the authors stated that they had sold to respondent no more than the right to print and publish their story once, retaining all other rights themselves. They testified that they had subsequently either placed the articles with a syndicator for resale or had resold them personally. Petitioner received these articles from either the syndicator or the author and had been assured in each instance, verbally and in writing, that the seller had the right to resell them. Petitioner introduced specific evidence from the authors and syndicators of each of the articles involved, which showed that no more than the right to print the articles once had been

sold to respondent. Petitioner did not know, and had no reasonable means of knowing that the articles had appeared in the respondent's publication years previously.

It was uncontradicted, as stated by a former employee of respondent, that in many instances the rights purchased by respondent were marked upon the manuscript. Respondent was unable to produce these manuscripts, as it had deliberately destroyed them. Petitioner, on the other hand, introduced the manuscripts of every one of its articles and other documentation in connection with them.

Even assuming that nothing had been said at the time the manuscripts were first sent to respondent as to the rights it was acquiring, there is an established custom in the tabloid newspaper industry (as conceded by the trial judge) that when nothing is said between author and publisher as to the rights being conveyed, the publisher acquires no more than one-time publication rights. The amounts paid by respondent for these articles, from $25 to $100, are so small that no author could live on such return unless he republished them several times. This custom was established to the satisfaction of the trial judge by petitioner's expert witnesses: an editor in the field who is in charge of purchasing articles for a similar publication, the proprietor of a press service which supplies pictures and fact sheets to publications in the field and at least four others connected with trade associations and periodicals. The trial judge specifically found:

> *"There can be no doubt that defendant's evidence supports its contention that there is an established custom and usage that free lance authors selling to a tabloid sell only first rights."* (Emphasis supplied)

Despite the clear statements by the authors that they had sold only first publication rights to respondent

and the trial court's specific finding that the established practice in the industry that writers sell only first rights, the judge, unaccountably, found that petitioner had infringed respondent's copyrights. This conclusion was based upon his impression that:

> "it would seem to be the law *as established by the treatises* that where an author sells an article to a periodical without specification of the rights he is conveying that he transfers his entire right to the publisher who has the right to a copyright thereon." (emphasis supplied)

He found this to be the law, despite the clearly established factual situation, and without relying upon any pertinent cases, and despite the fact that he felt "the law in this field is not as clearly and definitely defined as it would wish." He ignored the burden of proof plaintiff had, the constitutional protection of authors and just about everything else in order to find, unaccountably, in favor of respondent.

Four of the articles named in the amended complaint dealt with Hollywood personalities. Stories concerning persons such as these have a nature all their own. It is the custom in the tabloid newspaper industry, as well as elsewhere, to use, reuse, quote and requote Hollywood material almost at will. This is due to the fact that there is virtually nothing new to be said about these personalities after thousands of interviews, many of which are fabricated by press agents. Only the most trivial changes are made in the handouts submitted by the press agents of Hollywood personalities.

The only author of these Hollywood articles who testified directly, by way of deposition, stated that he obtained much of his material from news sources which are available to all newsmen. None of the material which purports

to be quotations from the subject of the article was original with him. There were direct quotations from the source.

In connection with these specific articles, petitioner introduced numerous exhibits showing that all articles on these persons are rewrites of the same material. Respondent offered nothing to rebut this. The court ignored the material.

The Court of Appeals mistakenly held that under the copyright law, substantial originality is not required and that "originality, in the context of the copyright laws, means little more than a prohibition of actual copying."

At the trial respondent dismissed three of its counts and all contentions as to photographs, and introduced no evidence to support its claim of unfair competition. Petitioner immediately asked for costs and fees. The courts below refused to hold that petitioner was the prevailing party as to these counts and thereby entitled to costs under 17 U.S.C. §116.

REASONS FOR GRANTING THE WRIT

This petition raises serious, substantial and fundamental questions under the Constitution and Copyright Act relating to the rights of authors in the materials which they, and they alone, create. The decision of the trial court, affirmed by the Court of Appeals, deprives authors selling articles in the periodical field of the fruits of their labor, unless by some chance they can guess as to which alleged legal scholars a court will find acceptable. At the same time, it makes a mockery of the Copyright Act, placing unimaginative, uncreative rehashes of publicity agent-concocted material found in the public domain by hacks, on the same status as bona fide original efforts by true creative authors.

Both petitioner and respondent are engaged in the business of publishing tabloid newspapers containing news and feature articles with a human interest and sensational approach. The stories they print are designed for their immediate and fleeting appeal. Their value is gone, so far as the publisher, but not the author, is concerned, the moment the next weekly issue hits the newsstands. Respondent does not bother to retain its manuscripts more than a few weeks, and after six months from the date of publication destroys all copies of its issues save one kept on microfilm. It is in this setting that respondent brought suit against petitioner for copyright infringement and unfair competition, basing its claims upon similar articles in both publications, by the same authors, appearing from two to five years apart when memory as to the articles had vanished.

Laying aside for the moment the copyrightability of the articles in question, the basic issue in this case turns upon the right of respondent to obtain a copyright to the articles claimed to have been infringed by petitioner. It is a basic requirement of copyright law that in order for an entity such as respondent to obtain a copyright to any article printed in its publication, it must be the author or proprietor thereof. Section 10 of 17 U.S.C states that any person entitled to a copyright under the Act shall secure such copyright by publication with the appropriate notice. Section 3 of that title states that "the copyright upon composite works or periodicals shall give to the *proprietor* thereof all rights . . . which he would have if each part were individually copyrighted." Section 9 makes it clear that only "the *author or proprietor* of any work made the subject of copyright by this title . . . shall have copyright for such work." Thus, before respondent may complain of infringement of any article contained in its publication it must prove that it was the proprietor there-

of and had the right to obtain such copyright. If the right to secure such copyright is not given to the publisher, it is a mere licensee and has no rights beyond the permission to have the article appear in its publication. *Mifflin* v. *R. H. White Co.*, 190 U.S. 260, 262 (1903). A blanket copyright of an issue of a periodical creates no copryight to an individual article unless the right to secure such copyright has been assigned by the author. *Morse* v. *Fields*, 127 F.Supp. 63, 65 (S.D.N.Y. 1954).

In *Morse, Egner* v. *E. C. Schirmer Music Co.*, 139 F.2d 398 (1st Cir. 1943), *cert. denied*, 322 U.S. 730 (1940) and *Public Ledger* v. *New York Times*, 275 Fed. 562 (S.D.N.Y. 1921), *affirmed* 279 Fed. 747 (2d Cir. 1921), *cert. denied*, 258 U.S. 627 (1922) it was made perfectly clear that it is an issue of fact in each case whether or not the author intended to transfer his right to obtain a copyright to the publisher. Accordingly, both parties introduced documentation (there was no trial in the usual sense) in the trial court, respondent to show (unsuccessfully) that it had purchased all rights to the stories, petitioner to show (conclusively) that only one-time usage rights had been conveyed to respondent, the authors retaining the right to re-sell to petitioner.

A short comment should be made here upon the character of the proceedings before the trial court. No live witnesses appeared before the trial judge. The entire case was submitted on depositions, offers of proof, answers to interrogatories and exhibits. Petitioner contended, and the Court of Appeals agreed, that in these circumstances, the findings of the trial court on the evidence are not binding upon the reviewing court. See also *Miller* v. *C.I.R.* 327 F.2d 846 (2d Cir. 1964), *cert. den.*, 379 U.S. 816, 85 S. Ct. 32, 13 L.Ed. 2d 28; *Orvis* v. *Higgins*, 180 F.2d 537 (2d Cir. 1950) and cases cited in the opinion of the Court of Appeals.

The evidence upon which respondent relied to satisfy its burden of proving that it had secured the right to copyright of the articles herein and ownership of all rights therein consisted of nothing more than a few self-serving, statements of employees (contradicting admissions by the same persons) that it followed the practice (not divulged to anyone, apparently) of purchasing all rights to a story and that it would not purchase a story from an author if he wished to retain any rights. At the time its former managing editor's deposition was taken, he admitted that he had never had any conversation with the authors of any of the articles involved in this suit prior to this proceeding as to the rights conveyed by them. He further admitted that when the correspondence and checks between the author and publisher do not designate what rights are being purchased, it depends upon the agreement with the individual author as to what is sold, and could differ from author to author.

Petitioner, on the other hand, introduced evidence as to each and every article (usually testimony from the author thereof and his agent) which unequivocally showed that only one-time publication rights had been conveyed to respondent. Petitioner also introduced uncontradicted evidence that the rights which were being sold to respondent were often noted upon the manuscript of the articles. Respondent was unable to produce even one of the manuscripts of the articles involved herein, because it had deliberately destroyed the manuscripts. It is well established that where a party fails to produce evidence in his control it will be presumed that such evidence is favorable to his opponent. *NLRB* v. *Ford Radio & Mica Corp.*, 258 F.2d 457, 463 (2d Cir. 1958); *Wenninger* v. *United States*, 234 F.Supp. 499, 508 (D.Del. 1964); and *Motor Launch No.*

12, 65 F.Supp. 252 (E.D.Pa. 1946). This conclusion must be inescapable where it is the plaintiff who is unable to present the single piece of evidence which will conclusively establish or refute his claim, because he has destroyed it.

Despite this failure of respondent to produce the vital proof which would clinch its claim, the Court of Appeals ignored every bit of petitioner's evidence and held that "the contracts between the Enquirer and the authors were silent on this point." Finding the evidence of the actual contracts undeterminative of the issue, the Court of Appeals and the trial court then turned to evidence of the custom in the industry. Respondent offered to prove by witnesses and so-called experts who had no experience in this field, that where an article is sold to a periodical and nothing is said as to the rights sold, the practice is that the publisher acquires all rights. Petitioner, on the other hand introduced evidence from six bona fide experts who were familiar with the field and who were engaged in working therein constantly that the custom in the industry was that when an article is sold to a publisher and no specific rights are stated, the publisher obtains nothing more than the right to publish the story once, all other rights being retained by the author.

Respondent itself set forth in *Writer's Handbook*, the trade publication, its purchase of "first North American rights." It did not claim that it purchased all rights.

If anything is clear in the confused and murky opinion of the trial court it is the fact that the evidence produced by petitioner concerning the custom and usage in the industry was conclusive. Thus, the trial judge held:

> "There can be no doubt that defendant's evidence supports its contention that there is an established custom and usage that free lance authors selling to a tabloid sell only first rights."

This was reinforced by the Court's further holding that:

> "Defendant's evidence supports its position that free lance authors could not afford to research and write articles for the paltry sums paid, unless they were permitted to sell for republication in other tabloids."

Having found that petitioner's evidence supported its contentions as to custom and usage in the field and that the evidence was conflicting upon the specific agreements between the authors and respondent, and despite his feeling that the law in the area was uncertain, the trial judge based his decision on "the established principle of law that where no terms are agreed upon on the sale of an article the law presumes no reservation of right in the author." Who has established this principle? Not the cases, not the facts, but in the trial court's own language:

> "It would seem to be the law as *established by the treatises* that where an author sells an article to a periodical without specification of the rights he is conveying that he transfers his entire right to the publisher who has the right to a copyright thereon." (Emphasis supplied)

The only case cited to support this proposition by the trial judge is one which deals with a situation where the publisher engaged the author to produce the specific work, not, as is involved here, where a free-lance author came to the publisher with a work he had produced independently.

This view, which has no decisional law to support it, is clearly contrary to the purpose of the copyright act and the constitutional provision upon which it is based. The Constitution sets as the purpose of copyright protection, "to promote the progress of science and useful arts." As was said by this Court in *Mazer* v. *Stein*, 347 U.S. 201, 219 (1954):

> "The economic philosophy behind the clause enpowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in 'Science and useful Arts.'"

This is based upon the premises that the public benefits from the creative activities of authors, and that the copyright monopoly is a necessary condition to the full realization of such creative activities. Creative activities for the benefit of the public can flourish only if the author is assured that he will receive compensation from his efforts sufficient to induce him to continue with those efforts. If an author is deprived of a just return upon his investment of time and creativity he will surely withdraw from this pursuit to enter one which is more conducive to the effective exploitation of his talents.

More authors write for magazines, newspapers and periodicals than for any other medium. This is the proving ground for young authors, and a livelihood for many. By the very nature of the medium, the articles, once read, are discarded and forgotten.

The framers of our Constitution and the drafters of the Copyright Act dealt upon the assumption that an author must be given a reasonable incentive to induce him to continue with his efforts, to the benefit of the public at large. The presumption relied upon by the courts below can have nothing but a repressive effect upon the efforts of authors. This presumption gives protection not to the author, as envisioned in the Constitution and the Act, but to sharp publishers who would deprive authors of a just return for their labors. The instant case is a perfect example. Respondent advertised for material in a trade magazine thusly:

"National Enquirer . . . Circulates weekly to over 1 million; single copy price, 15¢. Purchases single or series b&w photos. Pays $15 to $100; the average is above $25 *for first North American Rights.*" (D.Ex. 1, A. 123) (Emphasis supplied)

An author relying upon this advertisement sends his manuscript to respondent, and receives $25.00 or some other small sum. Of course, he says nothing about the rights he wishes to sell to the publisher, who also says nothing. Subsequently, the author, reasonably believes he has reserved all rights in his work, wishes to resell his article to another publisher, and does so, having no notice whatsoever that he is not free to do so. Suddenly, a suit for copyright infringement ensues and the author discovers, contrary to his belief and without any prior notice, that he has been divested of any interest in his creation as a result of a presumption of law created not by the legislature or the courts, or the actual custom in the trade, but by another author, hired for that purpose, who happens to have written a legal treatise, which does not really deal with the matter.

There is yet a further effect from this rule. A publisher receives a manuscript from an author, who informs him that the article is his and he has a right to sell it. The publisher publishes the article and is suddenly sued for copyright infringement. The author reasonably believes that he has the right to sell his article a second time and the publisher relies upon this belief. He has no means of even knowing where, if at all, the material was previously published. He is then hauled into court and found guilty of copyright infringement on the ground that the author cannot prove that he retained rights in his own property. The plaintiff claims, ex cathedra, that he has purchased all rights to the article, but produces no tangible proof thereof.

The author contends that he specifically noted on the manuscript that he was selling only one-time publication rights to the first publisher, but this avails him not, since the plaintiff has destroyed the manuscript. The defendant proves to the satisfaction of the judge that the practice in the industry is to purchase only one-time rights. Yet, he is forced to pay damages to the plaintiff on the ground that the law presumes that whenever an author permits his article to be published he has been deprived of all rights in that manuscript!

Such a situation is beyond all comprehension. It must make a shambles of the publishing industry. A publisher will never be able to rely upon an author's representation that he has sold only one-time publication rights to a prior publisher, unless the author can prove that he has specifically elicited from that prior publisher a written acknowledgment of such fact. The business of publishing a periodical will become so hazardous and uncertain that many in the field will withdraw therefrom rather than run the risk of constant and numerous suits for copyright infringement. Thus, in the end, the public will be the loser, for it will be deprived of the benefit of the author's works. The fact that the work has been published once does not militate against this view. Not everyone reads the same periodical. Our society has demonstrated, time and time again, in every way imaginable, its preference for the freest possible dissemination of ideas. The presumption established by certain few "treatise writers", not necessarily accurate in their pronouncements, and accepted by the Court below, goes directly against this preference. An author should be allowed to spread his views and ideas as far and wide as he is able. If any presumption must be drawn, the only one consistent with the Constitution, the Copyright Act and the fabric of our society is the presumption exactly opposite the one drawn below.

It is relatively simple for a publisher to require an author to sign a short contract, release, or letter, stating that the publisher is given all rights to the article which it has printed, if it desires to acquire such rights. This poses no burden whatsoever upon the publisher or anyone else. The author, on the other hand, cannot be expected to presume that he is losing all of his rights unless he takes some affirmative action to protect them. Even if he does take such action, such as noting the rights he has sold upon the manuscript, the publisher may evade this with impunity by merely destroying the manuscript, if we are to accept the view of the courts below.

This presumption drawn by the Courts below also conflicts with the well-settled rule that "parties who contract on a subject-matter concerning which known usages prevail incorporate such usages by implication into their agreements, if nothing is said to the contrary." *Hostetter* v. *Park,* 137 U.S. 30, 40, 11 S.Ct. 1,4,34 L.Ed. 568; *Pacific Grape Products Co.* v. *C.I.R.,* 219 F.2d 862, 867 (9th Cir. 1955); *Dixon, Irmaos & Cia, Ltd.* v. *Chase Nat. Bank of City of N.Y.,* 144 F.2d 759, 762 (2d Cir. 1944), *cert. denied* 324 U.S. 850, 65 S.Ct. 687, 89 L.Ed. 1410; *Baker* v. *Nason,* 236 F.2d 483, 492 (5th Cir. 1956); and *United States* v. *Copeland Milnes Wool Co.,* 242 F.2d 659, 663 (7th Cir. 1957).

There is at least one more effect of the decision below which is critical to the law of copyright. The Court of Appeals held that the amount of originality required to render a work copyrightable is extremely small, indeed non-existent in a real sense:

> ". . . it is well settled that copyrighted matter need not be strikingly unique or novel. A distinguishable variation suffices. Because of the Enquirer's different

> adaptation and arrangement of words in these articles, there was enough originality to bring the articles within the protection of the copyright law even though they were derived from other sources. Originality, in the context of the copyright laws, "means little more than a prohibition of actual copying".' " (citations omitted)

What the Court below seems to be saying is that any hack who takes material from the publicity agent of a Hollywood star or other similar sources and rearranges it slightly, without contributing anything new or different of his own is just as entitled to a copyright as the one who first brought the material to publication. The court equates the test for determining whether there has been copying so as to show an infringement with the test of originality, when it says that originality "means little more than a prohibition of actual copying." This view, if accepted, will deprive the copyright laws of all meaning. The Constitution is very clear on this aspect. It provides that the purpose of giving copyright protection of authors is to "promote the progress of science and useful arts." How can progress of useful arts be promoted by giving copyright protection to every hack who reprints material from publicity agents or the public domain? Should material in the public domain be transformed into a new and different area or form, this, of course, is something original, worthy of protection, but the reprinting of the same material in the same way as has been done countless times before is not original.

Four of the articles involved in this suit are perfect examples of the reprinting of material which has been published and republished in every conceivable manner in every conceivable medium so there is no conceivable manner of adding anything original. These four articles dealt with well-known Hollywood personalities. Stories concerning persons such as these have a nature all their own. It is

the custom in the tabloid industry, as well as elsewhere, to use, reuse, quote and requote Hollywood material supplied by press agents, almost at will. This is due to the fact that there is virtually nothing new to be said about these personalities after thousands of interviews, many of which are made up out of whole cloth by press agents. Petitioner introduced numerous exhibits showing that the articles concerning these persons are nothing but rewrites or even direct quotations of material in the public domain.

There appears to be a conflict among the circuits concerning the requirement of originality. The Seventh Circuit seems to have held consistently that that originality means little more than a prohibition of actual word for word copying. *Gelles-Widmer Co.* v. *Milton Bradley Co.*, 313 F.2d 143 (7th Cir. 1963); *Wihtol* v. *Wells*, 231 F.2d 550 (7th Cir. 1956); and the instant case. It is clear, however, that one may avoid copying, but have produced nothing original. In order for one to create something original, he must add something to what has gone before, in one manner or another. The mere clipping of material from the public domain and pasting it together, requires neither imagination, talent nor skill, but only a facility with a scissors and glue. To give copyright protection to such activity is to make a mockery of the intention to promote the progress of useful arts.

The correct rule is well-stated in *Chamberlin* v. *Uris Sales Corp.*, 150 F. 2d 512, 513 (2d Cir. 1945):

> "Plaintiff therefore must lose unless he has shown that his work contains *some substantial, not merely trivial, originality,* and that the defendant sold copies embodying the original aspects of his work." (Emphasis supplied)

Originality requires some element of creativity. *McIntyre* v. *Double-A-Music Corp.*, 179 F.Supp 161 (S.D. Cal. 1959).

The mere assembling of an aggregation of old materials without adding anything new or novel is not originality. *Jackson* v. *Quickslip Co.*, 27 F.Supp. 338 (E.D.N.Y. 1939). This Court has recently indicated that the Constitution, by its purpose to advance science and the useful arts, requires that something tending toward this purpose must be present to bring one under the protective blanket:

> "Innovation, advancement, and things which add to the sum of useful knowledge are inherent requisites in a patent system which by constitutional command must 'promote the Progress of useful Arts.' This is the *standard* expressed in the Constitution and it may not be ignored." *Graham* v. *John Deere Co.*, 383 U.S. 1, 6 (1966) (Emphasis by the Court)

This provision also applies to "science" as mentioned in the Constitution, and there is no reason why it should be read to apply differently to copyrights than it does to patents. There is a specific purpose behind this provision, and to allow protection to one who has done nothing to promote progress in his field of endeavor is to ignore the very words of the Constitution.

There is one further issue which should be considered by this Court. At the time of trial, respondent suddenly dismissed three counts of its amended complaint and all charges as to infringement of pictures and during the trial offered no evidence whatsoever to support its claim of unfair competition. Petitioner immediately demanded costs and fees. Petitioner contends that as a result of this late dismissal, after forcing petitioner to go to the trouble and expense of defending against these charges, it is the prevailing party thereon.

Under 17 U.S. C. §116, full costs are mandatory in favor of the prevailing party in all *actions*, suits or proceedings.

The district court held that the "prevailing party" is the one who prevails as to the substantial part of the litigation. The Court of Appeals did not pass upon this issue, but "defer[ed] to the trial court in this respect."

The action of the courts below ignores the plain wording of the statute, which plainly refers to actions, suits or proceedings. Each count in a complaint is a separate action, to be differentiated from a suit which may contain many causes of action, as here. The district court's reading of the statute makes a nullity of the word "actions" and goes against the clearly expressed intention of the drafters thereof. There is no question that the defendant is the prevailing party where the plaintiff dismisses his suit prior to trial. *Corcoran* v. *Columbia Broadcasting System, Inc.*, 121 F.2d 575, 576 (9th Cir. 1941); *Uniflow Mfg. Co.* v. *Superflow Mfg. Corp.*, 10 F.R.D. 589 (N.D. Ohio 1950); *Amsterdam* v. *Triangle Publications, Inc.*, 189 F. 2d 104, 107 (3d Cir. 1951); and *H.M. Kolbe Co.*, v. *Armgus Textile Co.*, 315 F.2d 70, 75 (2d Cir. 1963).

Each count charging the infringement of a specific article is a separate action, requiring separate proof by plaintiff and a separate defense by defendant. The mandatory cost provision in the Copyright Act is clearly an extension of the philosophy of that Act to protect fully those who have a right to protection under that Act. Those whose copyrights have been infringed should not be penalized for enforcing their rights, and should recover the costs of vindicating their rights. On the other hand, defendants who are found not to have infringed any alleged copyright are not to be penalized for being forced to defend an unfounded suit. The Copyright Act is designed to enhance freedom of publication and expression and to penalize those who abuse that freedom by impinging on another's rights and

those who attempt to restrain that freedom by bringing unfounded infringement claims.

Looked at in this light, it is apparent that each copyright action must be considered individually, whether combined with other actions or standing alone. It is only in this manner that the policy behind the Copyright Act and the First Amendment may be maintained. Were the rule otherwise, plaintiffs would be free to allege all sorts of frivolous claims along with more colorable ones, and freely harass their competitors, as in the instant case.

The fact that the damages assessed in this case are not large (the costs are larger) does not affect the basic policy and constitutional considerations. The assessment in a similar situation might be prohibitive. The principle is a basic one, worthy of the attention of this court in a field in which there is insufficient guidance.

CONCLUSION

The Petition for the Writ of Certiorari should be granted and the judgments below reversed.

Respectfully submitted,

ELMER GERTZ,
Attorney for Petitioner.

APPENDIX

Before KNOCH, FAIRCHILD AND CUMMINGS, *Circuit Judges.*

CUMMINGS, *Circuit Judge.* In this case, the publisher of the New York weekly tabloid newspaper, The National Enquirer (the "Enquirer"), charged that a competing Chicago weekly, The National Insider (the "Insider"), with a much smaller circulation, infringed the copyrights on six articles previously published in the Enquirer. The District Court found for the Enquirer and denied the Insider any relief on its counterclaim which charged that the Enquirer infringed the copyrights on six articles appearing in the Insider. The Enquirer was awarded injunctive relief, $250 minimum statutory damages for each of the six articles, and costs.

Of the six articles covered by the amended complaint,[1] four dealt with Hollywood personalities, *viz.*, Groucho Marx, James Mason, George Raft, and John Wayne. The fifth article reported a visit of Corporal Melvin Mayfield, a holder of the Congressional Medal of Honor, to President Truman, opposing the building of a dam in Ohio. The sixth article concerned marriages performed at a Miami gas station. The Insider's six articles were virtually identical to the Enquirer's.

The principal dispute between the parties was whether the Enquirer had purchased all publication rights or only first publication rights to the six articles covered by the amended complaint. The contracts between the Enquirer and the authors were silent on this point. However, the Enquirer offered the testimony of two "experts" that the prevailing practice in the trade is that when a free-lance author sells an article, he sells all rights thereto

[1] At the time of trial, the Enquirer was permitted to drop its allegations concerning three other articles purportedly infringed by the Insider.

unless he indicates other restrictions. The Enquirer's editor and managing editor testified to the same effect in their depositions. The Enquirer also cited two articles to the same effect.[2] The Insider did not introduce contrary expert testimony. The District Court observed that the evidence presented by the litigants was in complete conflict, but found that the Enquirer had purchased full rights to these six articles.

Where, as here, the only testimony was before the court by deposition, the findings of a trial court are not as binding under Rule 52(a) of the Federal Rules of Civil Procedure as where the court has had the opportunity to observe the demeanor of the witnesses. *Kiwi Coders Corporation* v. *Acro Tool & Die Works,* 250 F.2d 562, 568 (7th Cir. 1957); cf. *Lundgren* v. *Freeman,* 307 F.2d 104, 113-115 (9th Cir. 1962). However, our examination of the evidence satisfies us that the District Court's finding of the Enquirer's all publication rights purchases was justified and should not be overturned.

The Insider next argues that the four Hollywood articles are not susceptible to copyright, on the ground that they do not contain original material. But it is well settled that copyrighted matter need not be strikingly unique or novel. A distinguishable variation suffices. *Wihtol* v. *Wells,* 231 F.2d 550, 553 (7th Cir. 1956). Because of the Enquirer's different adaptation and arrangement of words in these articles, there was enough originality to bring the articles within the protection of the copyright law even though they were derived from other sources. Originality, in the context of the copyright laws, " 'means little more than a prohibition

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[2]Wasserstrom "Magazine and Newspaper Syndication Problems" *(Copyright Problems Analyzed* (CCH 1953)) p. 159; Henn, '"Magazine Rights'—A Division of Indivisible Copyright," 40 Cornell Law Quarterly 411, 438 (1955), reproduced in *Copyright and Related Topics* (UCLA School of Law (1964)), p. 201.

of actual copying'." *Alfred Bell & Co.* v. *Catalda Fine Arts*, 191 F.2d 99, 103 (2d Cir. 1951). These articles were not slavish copies of source materials; they were sufficiently transformed to meet the copyright test of originality. Nimmer on Copyright, §10.1.

The District Court held that the defendant's counterclaim was without merit. A comparison of the Insider's six articles and the Enquirer's six articles specified in the counterclaim shows that the Enquirer did not copy the Insider's articles, even though there are some resemblances. Moreover, except possibly in one instance, the Enquirer was working on the stories before the Insider's articles appeared. In our view, the Insider did not discharge its burden of establishing infringement.

The District Court awarded costs to the Enquirer. Under 17 U.S.C. §116, full costs are mandatory in favor of the prevailing party. *Official Aviation Guide Co.* v. *American Aviation Associates*, 162 F.2d 541, 543 (7th Cir. 1947). Here the Insider urges that costs should be apportioned, claiming that it was the prevailing party as to the charges dropped by the Enquirer (see note 1 *supra*). The District Court concluded that "the prevailing party" is the one who prevails as to the substantial part of the litigation, here the Enquirer.[3] We will defer to the trial court in this respect. Cf. *Armour Research Foundation* v. *C. K. Williams & Co.*, 280 F.2d 499, 508 (7th Cir. 1960), *certiorari denied*, 365 U.S. 811.

The judgment is affirmed.

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[3]This ruling accords with the construction of the identical phrase in Rule 54 (d) of the Federal Rules of Civil Procedure, *Hines* v. *Perez*, 242 F.2d 459, 466 (9th Cir. 1957); 6 Moore's Federal Practice (2d ed. 1966) ¶54.70 [4]. See also *Official Aviation Guide Co.* v. *American Aviation Associates, supra;* Nimmer on Copyright, p. 703.